YONG TENG HING

v.

WALTON INTERNATIONAL LTD

HIGH COURT MALAYA, KUALA LUMPUR
GHAZALI YUSOFF J
[NOTICE OF MOTION NO: D1-21-4-1997]
18 JANUARY 2012

TRADE MARKS: *Registration - Application for - Registration of trade marks - Competing applications by applicant and respondent - Determination of common law and rightful proprietor of trade mark - Factors to consider - Evaluation of evidence - Whether respondent's application earlier than applicant's application - Whether respondent had acquired wide reputation with the mark in Malaysia and overseas - Whether applicant copied respondent's mark - Whether registration of applicant's mark would lead to confusion in public mind - Whether applicant could claim proprietorship over foreign trader's trade mark - Whether application for registration disallowed - Trade Marks Act 1976, s. 19(2)*

The applicant and respondent had made their respective applications for registration of the "GIORDANO" trade mark for goods in Class 18 of the Third Schedule to the Trade Marks Regulations 1983 *ie*, leather products ('Class 18'). The matter went before the Registrar of Trade Marks ('the Registrar') who refused to proceed with both applications until the rights of both parties had been determined by the court pursuant to s. 19(2) of the Trade Marks Act 1976 ('the Act'). Consequently, the applicant filed a notice of motion seeking a declaration that he be entitled to the registration of the GIORDANO trade mark in Class 18. The respondent also filed a notice of motion seeking, *inter alia*, a declaration that it was the common law and rightful proprietor of the GIORDANO trade mark in respect of goods in Class 18. The applicant claimed that in 1986, he ventured into the business of selling watches with leather and imitation leather straps bearing the GIORDANO mark in Malaysia. The applicant had an existing trade mark registration for the GIORDANO mark for goods in Class 14, *ie*, watches as from 17 March 1988. The applicant claimed that in 1992, he commenced dealing in sunglasses which were sold in cases made of leather or imitation

of leather, all bearing the GIORDANO mark. On 29 July 1992, the applicant had applied to register the said mark for goods in Class 18. On the other hand, the respondent had on 13 April 1992 applied for registration of the mark for goods in Class 18. According to the respondent, the GIORDANO trade mark originated from Hong Kong and that Giordano Limited first used the trade mark in Hong Kong in 1981 in respect of goods in Class 25. The respondent and Giordano Limited were wholly owned by Giordano International Limited. The respondent claimed that the GIORDANO mark was well known in South East Asia, including Singapore, since 1981 and that it was also well known in many other countries. The respondent was the registered proprietor of the GIORDANO mark in Malaysia for goods in Class 25, *ie*, garments and wearing apparels since 1982.

Held (dismissing the applicant's application and allowing the respondent's application with costs):

(1) The facts seemed to support the respondent's averment that it was the rightful proprietor of the mark. Further, the respondent's application for goods in Class 18 was on 13 April 1992 which date was earlier than the applicant's application and would thus seem to have priority over the applicant's application. (para 36)

(2) The name "GIORDANO" is not a common name in this part of the world. The respondent had acquired wide reputation with the GIORDANO mark especially in Hong Kong and Singapore since 1981 and in Malaysia since 1990. Based on the evidence adduced by the applicant in his dealings with dealers in Hong Kong, he knew or ought to have known of the existence of the respondent's GIORDANO mark when he allegedly commenced use of the mark on watches, *ie*, Class 14 goods in 1986. (para 37)

(3) The GIORDANO mark as shown on the applicant's application was clearly identical to the respondent's GIORDANO mark as shown in the respondent's application. Premised upon the opposing versions of the applicant and the respondent as to the origin of the mark, everything seemed to suggest that the applicant may have copied the respondent's GIORDANO mark. (para 38)

(4) The applicant's claim that he used the mark for watches with leather and imitation leatherstraps or sunglasses with leather or imitation leather cases in Malaysia prior to 29 July 1992 was merely a bare claim. He had not adduced such evidence in his affidavits. (para 39)

(5) If the applicant's application for registration was allowed by the Registrar, it would result in confusion in the public mind between the applicant's goods and the respondent's goods and consequently would mislead the public into the impression or assumption that goods bearing the GIORDANO mark are originating from the same source or they are connected with each other. (para 40)

(6) If at the date of application for registration by a local trader, the foreign trader's mark, although it has not been used in Malaysia, has become associated in the minds of the public with the foreign trader's goods, that local trader cannot appropriate or claim proprietorship on the foreign trader's mark. Further, a small amount of use of a trade mark by the foreign trader is sufficient to prevent a local trader from claiming proprietorship in the foreign trader's trade mark. (para 46)

(7) In the light of the substantial reputation and goodwill acquired by the GIORDANO trade mark, the respondent was entitled to an exclusive right on the said trade mark in relation to Class 18 goods in Malaysia since it had been clearly shown that Giordano Limited had used the GIORDANO trade mark in Malaysia earlier than the applicant. The applicant had not shown he had acquired any goodwill or reputation in the GIORDANO trade mark in respect of Class 18 goods. (para 47)

Case(s) referred to:

C & A Modes & Anor v. C & A (Waterford) Ltd & Ors [1978] FSR 126 ***(refd)***

Crusader Oil NL & Anor v. Crusader Minerals NZ Ltd [1984] 3 IPR 171 ***(refd)***

Fazaruddin Ibrahim v. Parkson Corporation Sdn Bhd [1997] 2 CLJ 863 HC ***(refd)***

Inland Revenue Commissioners v. Muller & Co's Margarine Ltd [1900-03] All ER Rep 413 ***(refd)***

Karrimor International Ltd v. Ho Choong Fun t/a Ah Hwa Trading Co [1989] 1 LNS 7 HC ***(refd)***
Lim Yew Sing v. Hummel International Sports & Leisure A/S [1996] 4 CLJ 784 CA ***(refd)***
Luk Lamellen Und Kupplungsbau GMBH v. South East Asia Clutch Industries Sdn Bhd [1996] 3 CLJ 904 HC ***(refd)***
Re Hick's Trade Mark [1897] 22 VLR 636 ***(refd)***
Tai Muk Kwai & Ors v. Luen Hup Medical Company [1998] 1 LNS 309 HC ***(refd)***
Taylor Bros Ltd v. Taylors Group Ltd [1989] 14 IPR 353 ***(refd)***
The Seven Up Company v. OT Limited and Another [1947] 74 CLR 203 ***(refd)***
Thunderbird Products Corporation v. Thunderbird Marine Products Pty Ltd [1974] 131 CLR 592 ***(refd)***

Legislation referred to:
Trade Marks Act 1976, ss. 14(1)(a), 19(2), 25(1)

Trade Marks Act 1905-1936 [Aus], s. 25

For the applicant - Wendy MK Lam; M/s Ram Rais & Partners
For the respondent - Michael Soo (Thye Yan Wee with him); M/s Shook Lin & Bok

Reported by Amutha Suppayah

JUDGMENT

Ghazali Yusoff J:

[1] The dispute between the parties in this matter relates to the "GIORDANO" trade mark.

[2] The applicant, Yong Teng Hing is trading as Hong Kong Trading Co which was registered on 29 October 1985 under the Registration of Businesses Act 1956.

[3] The respondent, Walton International Ltd is a foreign company incorporated in the Cayman Islands. The respondent is an associate company of Giordano Limited and these two companies were part of a group of companies owned by Giordano Holdings Limited of Hong Kong, a public-listed company on the Hong Kong Stock Exchange in 1991. Subsequently, as a result of a restructuring exercise, the respondent and Giordano Limited became wholly owned by Giordano International Limited of Bermuda, a public-listed company on the Hong Kong Stock Exchange.

[4] Both the applicant and the respondent have made their respective applications for registration of the "GIORDANO" trade mark for goods in Class 18 of the Third Schedule to the Trade Marks Regulations 1983 (hereafter referred to as "Class 18"); Class 18 refer to the following goods:

> Leather and imitations of leather, and goods made of these materials and not included in any other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.

[5] The matter then went before the Registrar of Trade Marks ("the Registrar"). The Registrar exercised her discretion and refused to proceed with both applications until the rights of both parties have been determined by the court pursuant to s. 19(2) of the Trade Marks Act 1976 ("the Act"); s. 19(2) of the Act reads:

> Where separate applications are made by different persons to be registered as proprietors respectively of trade marks which are identical or so nearly resembling each other in respect of the same goods or description of goods, the Registrar may refuse to register any of them until their rights have been determined by the Court or have been settled by agreement in a manner approved by him or by the Court.

[6] Consequently, each party filed in court its respective notice of motion.

[7] The applicant, *vide* his notice of motion (encl. 1) applied for the following reliefs:

(a) that he be entitled to the registration of the GIORDANO trade mark in Class 18; and

(b) that costs of the application be borne by the respondent.

[8] The respondent, *vide* its notice of motion (encl. 11) prayed for the following reliefs:

(a) a declaration that it is the common law and rightful proprietor of the GIORDANO trade mark in respect of goods in Class 18;

(b) further and/or alternatively, a declaration that it is entitled to be registered as the proprietor of the GIORDANO trade mark in Class 18 under and pursuant to the applicable provisions of the Act;

(c) further and/or alternatively, a declaration that the applicant is not entitled to be registered as the proprietor of the GIORDANO trade mark in Class 18 under and pursuant to the applicable provisions of the Act;

(d) that in the event, prayers (a), (b) and/or (c) be granted by the Court -

(i) the Registrar be directed to consider, in accordance with the applicable provisions of the Act and if she deems fit, to register the respondent as the proprietor of the GIORDANO trade mark;

(ii) the applicant be hereby enjoined or otherwise debarred from opposing the respondent's application, resulting registration or ownership thereof;

(e) costs.

The Applicant's Case

[9] The applicant claimed that in 1986 he ventured into the business of selling watches with leather and imitation leather straps bearing the GIORDANO mark in Malaysia. It is also his claim that he had chosen the name "GIORDANO" because of his fascination with the works of a Neapolitan 15th century artist who has the same name. He did not elaborate further.

[10] The applicant stated that he has an existing trade mark registration for the GIORDANO mark for goods in Class 14 of the Third Schedule to the Trademarks Regulations 1983, ie, watches as from 17 March 1988. He pointed out that the respondent has also applied for registration of the GIORDANO trade mark in Class 14 goods but that application was abandoned following its unsuccessful opposition against the applicant's application before the Registrar.

[11] The applicant then claimed that in 1992, he commenced dealing in sunglasses which were sold in cases made of leather or imitation of leather, all bearing the GIORDANO mark. Consequently, on 29 July 1992 he made an application to register the said mark for goods in Class 18 which comprises of goods made of leather or imitations of leather, etc. He conceded that the respondent had earlier on 13 April 1992 made an application for registration of the GIORDANO mark for goods in Class 18.

[12] On 2 November 1992 the respondent filed a notice of opposition against the applicant's application for registration of the GIORDANO mark for goods in Class 18. The applicant filed a counter-statement on 17 December 1992. Due to the existence of the separate applications by the parties to register the GIORDANO mark for goods in Class l8, the Registrar refused to proceed with the matter until the rights of the parties is determined by the court pursuant to s. 19(2) of the Act (reproduced earlier).

[13] The applicant pointed out that he was making his application for registration by way of s. 25(1) of the Act which reads:

> Any person claiming to be the proprietor of a trade mark used or proposed to be use by him may make an application to the Registrar for the registration of that mark in Part A or Part B of the Register in the prescribed manner.

He claimed that he began dealing in Class 18 goods in 1986 when he first ventured into the business of selling watches with leather and imitation leather straps in Malaysia. With regard to Class 14 goods, he pointed out that he began using the GIORDANO mark in Malaysia in 1986 and insisted that at that material time had no knowledge of the respondent's existence or of the respondent's use of the GIORDANO mark.

[14] It is the applicant's contention that he should be entitled to registration of the GIORDANO mark in Class 18 goods because at all material times, he had prior use of the mark in respect of Class 18 goods, namely, in 1986 he was dealing with watches with leather and imitation of leather straps and in 1992 was dealing with sunglasses with leather or imitation of leather cases, whereas the respondent only began to deal with leather belts in 1992 and further, it is doubtful as to whether the said belts bear

the GIORDANO mark as alleged. As such he argued that since there was no user of the GIORDANO mark in relation to goods in Class 18 in Malaysia at the onset of his trade in such goods bearing the mark, he has every right in applying to register and use the mark on such goods.

[15] The applicant further claimed that his watches bearing the GIORDANO mark were distributed and sold since 1986 throughout Malaysia via his distributor, a company named Giordano Time (M) Sdn Bhd to over 60 stores nationwide. He then embarked on the business of selling sunglasses with leather cases/pouches in 1992 bearing the same mark. Premised on this claim, the applicant's counsel submitted that under common law, the first person who used a trade mark of an appropriate type within a country became the proprietor of the mark. In support, counsel referred to *Fazaruddin Ibrahim v. Parkson Corporation Sdn Bhd* [1997] 2 CLJ 863 where the court held that in common law, the first person who uses a trade mark becomes the proprietor of the mark even though he did not acquire a reputation in the market or for that matter a distinctive character. In that case, Abdul Malik Ishak J (as he then was) said (at pp. 885-886) as follows:

> The basic common law principle is this: the first person who uses a trademark of an appropriate type within a country becomes the proprietor of the mark (*Re Registered Trade Mark 'Yanx' ex p Amalgamated Tobacco Corp Ltd* [1951] 82 CLR 199 at p 203; *Thunderbird Products Corp v. Thunderbird Marine Products Pty Ltd* [1974] 131 CLR 592 at p. 603; *Moorgate Tobacco Co Ltd v. Philip Morris Ltd (No 2)* [1984] 59 ALJR 77 at p 83). It is said that a person who becomes proprietor of a trademark in this way is entitled at common law to restrain a person who later commences to use the trademark.
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> In *General Electric Co v. General Electric Co Ltd* [1972] 2 All ER 507, Lord Diplock dealt at length with the history of trademarks in England both at common law and under statute and referred to the acquisition of property in a trade mark by use and its loss by disuse. In regard to the Trade Marks Act, 1905 (UK), Neville J had this to say in *Re Kenrick and Jefferson Ltd's Application* (1909) 26 RFC 64 at p 649 :
>
> > It appears to me on the construction of the Act itself, that the effect of it is by no means to ignore the right of ownership of a trade mark, which has been acquired by

> user, although there is a prohibition against the recovery of damages, or the prevention of infringement prior to registration.

It has also been said that the use need not be one extending over a great length of time. On this point reference may be made to the case of *Hall v. Barrows* [1863] 32 LJ Ch 548, where Lord Romilly MR said at p 551:

> It has sometimes been supposed that a manufacturer can only acquire such a property in a trade mark as will enable him to maintain an injunction against the piracy of it by others, by means of a long-continued use of it, or, at least, such a use of it as is sufficient to give it a reputation in the market where such goods are sold. But I entertain great doubt as to the correctness of this view of the case.
>
> The interference of a Court of equity cannot depend on the length of time the manufacturer has used it. If the brand or mark be an old one, formerly used, but since discontinued, the former proprietor of the mark undoubtedly cannot retain such a property in it, or prevent others from using it: but, provided it has been originally adopted by a manufacturer, and continuously, and still used by him to denote his own goods when brought into the market and offered for sale, then I apprehend, although the mark may not have been adopted a week, and may not have acquired any reputation in the market, his neighbours cannot use that mark. Were it otherwise, and were the question to depend entirely on the time the mark had been used, or the reputation of it had been acquired, a very difficult, if not insoluble, inquiry would have to be opened in every case, namely, whether the mark had acquired in the market a distinctive character denoting the goods of the person who first used it.

Applying the principles as distilled from these cases, Fazaruddin can be said to be a common law user of the mark even though under him the mark did not acquire a reputation in the market or, for that matter, a distinctive character. All too frequently, the exercise of judgment as to whether a mark is distinctive would entirely be an exercise of discretion.

[16] It is the applicant's contention that he has every right in applying to register and use the said mark on such goods. In support of this contention, counsel for the applicant referred to the Australian case of *The Seven Up Company v. OT Limited and*

Another [1947] 74 CLR 203. In that case, upon an application made on behalf of the Seven Up Company, a corporation duly registered in and incorporated in under the laws of the State of Missouri, United States of America, for the registration of the trade mark "7UP" in class 44, the Registrar of Trade Marks stated that pursuant to s. 25 of the Trade Marks Act 1905-1936 he would not register that trade mark because of the prior registration of the trade mark "8UP" in the same class by OT Ltd of Prahran, Victoria. In dismissing the appeal to the Full Court, Rich J said (at pp. 216-217):

> The only ground in the notice of motion argued in this Court is that the entry on the register of the trade mark "8UP" was wrongly made. The second ground was not pressed. At the hearing it was suggested that the use of this trade mark was an endeavour by the respondent to go as close as it could to "7UP" without fraud. But, as his Honour pointed out, if fraud were charged, an issue of fraud must be raised. Before this Court Mr. Taylor disclaimed fraud, but suggested that the action of the company could not be justified in a court of justice. His Honour, however, found that there-were no business or other arrangements between the parties which made it fraudulent for the respondent to apply to register "8UP" on 17th August 1939.
>
> Although the mark "7UP" had been extensively used in the United States, there had been no user of it in Australia. It is to the market of this country alone that one has to have regard. For that purpose foreign markets are wholly irrelevant unless it can be shown by evidence that in fact goods marked with the foreign mark have been imported into this country and the foreign mark thus acquires this characteristic that it is distinctive of the goods of the manufacturer: *Impex Electrical Ltd v. Weinbaum* [1927] 44 RPC 405, at p. 410); *Re an Application by Notox Ltd* ((1930) 48 RPC 168, at p. 178) and cases cited by Mr. Justice Williams, to which I would add *Rolls v. Isaac* ([1881] 19 Ch D 268, at p. 276).
>
> In the absence of fraud or unfair dealing on the part of the applicant, and in the face of the finding that the foreign mark "7UP" has not been used on the goods of the applicant in the market of this country in such a way as to be identified in Australia with the goods of the applicant at 17th August 1939, it was open to the respondent to claim registration of the mark "8UP".
>
> For these reasons I agree that the appeal should be dismissed.

[17] Counsel for the applicant also referred to the case of *Lim Yew Sing v. Hummel International Sports & Leisure A/S* [1996] 4 CLJ 784 where Mahadev Shankar JCA in delivering the judgment of the court said (at p. 790):

> Trade mark law is very territorial in many aspects. So, it will be useful to keep in the forefront of our minds that, however distasteful it may be for a trader in one country to appropriate the mark of a foreign trader who is using that mark in a foreign country, there is nothing unlawful under the Trade Marks Act 1976 for a Malaysian trader to become the registered proprietor of a foreign mark used for similar foreign goods provided that the foreign mark has not been used at all in Malaysia.

[18] The applicant insisted that he has extensive goodwill and reputation in goods of Class 18 in Malaysia. He claimed that his watches bearing the GIORDANO mark have been distributed and sold since 1986 throughout Malaysia and insisted that he started to trade in watches with leather straps as early as 1986. In addition, he also embarked on the business of selling sunglasses with leather cases/pouches since 1992 bearing the GIORDANO mark. He also insisted that he acted *bona fide* when applying to register the GIORDANO mark in respect of Class 18 goods and at that material time had no knowledge and was not aware that the respondent dealt with goods of such a class. He then pointed out the following:

(a) that the respondent's later trade, its reputation and goodwill are only reflective of their goods in Class 25, ie, clothing, footwear, headgear;

(b) that the respondent started trading in clothes in Malaysia only in late 1991 although the earliest date that any of the respondent's outlets in Malaysia has been shown to be established is 1 April 1992 whereas his goodself started to trade in watches with leather straps as early as 1986.

(c) that his application for the GIORDANO mark which is in respect of leather and imitations of leather and articles made from these materials in Class 18 is in no way connected by trade or otherwise with the respondent's alleged use on "garments and wearing apparels" in Class 25;

(d) that the reputation of the respondent in respect of their Class 25 goods bearing the GIORDANO mark is not by itself evidence of any goodwill held by the respondent with regards to goods in Class 18 and its reputation overseas is of no importance in this action;

(e) that although the respondent alleges goodwill and reputation in Hong Kong and Singapore, there is no registration of the GIORDANO mark in Class 18 in either of those two countries;

(f) that no goodwill or reputation other than in Class 25 goods which is not relevant to this matter, has been shown to have been created by the respondent in Malaysia or in any place at all, despite the unsubstantiated tourism claims between Malaysia and Singapore.

(g) that the respondent has not shown that its leather goods actually bear the GIORDANO mark; and

(h) that the applicant's mark does not display the distinctive device of a frog featured together with the GIORDANO mark, unlike that of the respondent's mark which consistently displays the "frog" together with the mark "GIORDANO".

[19] For the aforesaid reasons, the applicant prayed that he be allowed to continue with the registration of the GIORDANO mark in Class 18 goods without any further hindrance premissed on his claim that he is the rightful owner of the mark.

The Respondent's Case

[20] It is the respondent's case that the GIORDANO trade mark originates from Hong Kong and that Giordano Limited first used the trade mark in Hong Kong in 1981.

[21] Subsequently, by an assignment dated 5 March 1991, Giordano Limited assigned the GIORDANO trade mark and other related trade marks worldwide together with the goodwill and reputation in connection with the trade marks to the respondent.

[22] The respondent contended that it is not disputed that the respondent has three existing GIORDANO trade mark registrations for goods in Class 25 for clothing, namely:

(i) Peninsular Malaysia under Trade Mark Registration No. M/96438, as from 28 August 1982;

(ii) Sabah under Trade Mark Registration No. S/30459, as from from 28 August 1982; and

(iii) Sarawak under Trade Mark Registration No. SAR/25720, as from 15 September 1982.

[23] The respondent pointed out that it filed its application to register the GIORDANO mark in Class 18 on 13 April 1992 whereas the applicant filed its application to register the same in Class 18 on 29 July 1992 as a result of which the Registrar of Trade Marks invoked s. 19(2) of the Act by directing the parties to resolve the dispute on their rights to the trade mark by way of legal proceedings on the grounds that both marks are identical or so nearly resembling each other as are likely to deceive or cause confusion, and both applications are in respect of the same goods or description of goods.

[24] It is the respondent's case that its predecessor in title had used the GIORDANO mark in Hong Kong in June 1981 in respect of goods in Class 25 and that the current form of the mark was created in 1985 by the former chairman of Giordano Holdings Ltd and a former employee of Giordano Limited. The respondent claimed that the GIORDANO mark is well known in South East Asia, including Singapore, since 1981 and it is also well known in many other countries.

[25] The respondent pointed out that it is the registered proprietor of the GIORDANO mark in Malaysia for goods in Class 25 since 1982 which was much earlier that the alleged use and application of the mark by the applicant. In its affidavit, the respondent exhibited an invoice dated 20 August 1990 issued by Giordano Limited to Metro Jaya Sdn Bhd, Kuala Lumpur as evidence of use of the GIORDANO mark with regard to sales of clothing and belts in Malaysia. That invoice showed that the net amounts of goods were worth approximately RM18,000. The respondent claimed that since then, it has been using and promoting the said mark in Malaysia extensively.

[26] With regard to the applicant's claim that he has been using the GIORDANO mark since 1986 in respect of watches with leather straps, the respondent pointed out that there is no indication that goods bearing the said mark were traded. Further, the applicant's evidence in the form of invoices dated between 1988 and 1989, which referred to "parts of watches" that were being imported from Hong Kong by the applicant do not indicate that the items bore the GIORDANO mark given the fact that the applicant was also selling goods bearing other trade marks. The respondent also pointed out that the applicant's exhibits in the form of advertisements and newspaper write ups were dated mid-1990 and the watches shown therein do not have leather straps.

[27] As such, the respondent submitted that it has shown that it first used the GIORDANO mark, *inter alia*, on leather goods on 20 August 1990 whereas there is no credible evidence of use tendered by the applicant until mid-1990 and that was in the form of advertisements only. That being the position, it is the respondent's contention that the applicant cannot claim to be proprietor of the GIORDANO mark in view of the fact that the respondent has used the mark earlier than the applicant's purported use. In support of this contention, counsel for the respondent referred to, *inter alia*, *Thunderbird Products Corporation v. Thunderbird Marine Products Pty Ltd* [1974] 131, CLR 592. That case was referred to by Chan Sek Keong JC (as he then was) in *Tai Muk Kwai & Ors v. Luen Hup Medical Company* [1998] 1 LNS 309; [1998] 3 MLJ 69 at p. 74; the learned judge said:

> In the *Thunderbird* case, the High Court of Australia held, where the applicant, an American company, had sold a model of a power boat to an Australian company and the correspondence between them leading up to the sale contained the word 'Thunderbird' placed in such a way as to show that it was intended as a trademark, the High Court of Australia held that the Australian company was not entitled to register the mark as its own and that knowledge acquired by a single importer that an article sold to him has a distinctive mark was sufficient to give distinctiveness to that mark in the Australian market.

[28] Counsel for the respondent then submitted that due to the substantial similarity between the GIORDANO mark as used by the applicant and the respondent, it gives rise to a *prima facie* inference that the applicant copied the mark used by the respondent. In support, counsel referred to *Fazaruddin bin Ibrahim*, *supra*, where the learned judge said (at p. 887) as follows:

> The crucial question to pose would be this: was Parkson an honest concurrent user of the trade mark as reflected in mark 'A'? From the recital of the facts, there was evidence that only in 1992, Parkson progressed ahead and started to use mark 'A', the very trade mark which Fazaruddin authored in 1984. The substantial similarity between the mark as used by the (sic) Parkson in 1992 and that authored by Fazaruddin in 1984 gave rise to a *prima facie* inference that Parkson copied Fazaruddin: *Re AUVI Trademark; AUVI Pte Ltd v. Seah Siew Tee & Anor* [1992] 1 SLR 639. To put it bluntly, Parkson was a dishonest concurrent user of mark 'A'.

Counsel also referred to *Luk Lamellen Und Kupplungsbau GMBH v. South East Asia Clutch Industries Sdn Bhd* [1996] 3 CLJ 904 where it was held it is tantamount to registration by fraud when a party, knowing that a mark belonged to another party, yet apply to register it.

[29] Counsel for the respondent then canvassed the following arguments:

(a) that this court should infer that the applicant has copied the respondent's Giordano mark since the respondent had first used the mark and that due to substantial similarity, it gives rise to a *prima facie* inference that the mark was copied;

(b) that a party knowing that a mark belonged to another party and yet apply to register it, constitutes registration obtained by fraud;

(c) that this court should infer copying;

(d) that the applicant will not be considered as a honest concurrent user and the registration of his mark will constitute registration obtained by fraud.

[30] It is the contention of the respondent that its reputation overseas, especially in Singapore is sufficient to establish that the applicant has passed off the respondent's goods contrary to ss. 14(1)(a) and 19(1) of the Act. It is also contended that since its GIORDANO mark is well known world wide, including Singapore, such reputation, which existed prior to the applicant's use in mid-1990, could be taken into account for establishing passing-off. To support this contention, counsel for the respondent referred to, *inter alia*, *Crusader Oil NL & Anor v. Crusader Minerals NZ Ltd* [1984] 3 IPR 171, a judgment of the

A High Court of New Zealand in a passing off action. In that case the plaintiff, Crusader Oil NL, a company incorporated in Queensland and involved in oil and gas exploration and held prospecting licences brought a passing off action against the defendant, Crusader Minerals NZ Ltd, a company solely interested
B in mineral exploration, seeking an injunction restraining the use by the defendant of the name "Crusader". In granting the injunction, the court held that in view that New Zealand and Australia have historically a common affinity, reputation created in Australia could be considered in New Zealand. In his judgment, Jeffries J said (at
C pp. 181-182):

> In my view the evidence establishes a reputation for the plaintiff in New Zealand as at November 1982. Mr Morris first came to New Zealand in 1970 or 1971. Oil exploration was conducted in the Westland area. Interests in prospecting licences were taken
D up. Money was spent by the plaintiff. It affiliated with NZ Petroleum in prospecting ventures. It had New Zealand shareholders and made announcements to the New Zealand Stock Exchange. Its listing in Australia became news in New Zealand newspapers and magazines. This case concerns oil and mineral
E exploration which might be said to deal with the macro aspects of business, not the same as the issues that might arise over a business name concerned with the supply of fungibles. It is not necessary for the name to reach supermarket shoppers to establish corporate name exposure.
>
> F Further the evidence and its inferences establishes in today's commercial world the name can be one of the most valuable assets a company has. Today's commercial answer to the famous question "What's in a name?" is a great deal. Enormous sums are invested in a name and its propagation, usually associated with
G a product. Companies are prepared to go to considerable lengths by their own conduct to protect their names. Is not such a company entitled to feel at considerable risk it might suffer damage when another company operating in the same field uses it? This Court's answer is yes.

H **[31]** Counsel for the respondent in the instant case then argued that there would be confusion between the applicant's goods and the respondent's goods even if the respondent's reputation is built on goods in respect of Class 25 (which is denied), since clothing, belts, watches and sunglasses are all seen as fashion accessories
I and that it is not uncommon for a fashion label to trade in all these goods. He added that both parties are within a common

field of activities. To illustrate this, counsel referred to *Taylor Bros Ltd v. Taylors Group Ltd* [1989] 14 IPR 353. The facts of the case are summarised in the head-notes and it read as follows:

> The plaintiff had been established in the drycleaning market in Wellington for over 50 years, and for almost 40 years in the garment hire market. In recent years, the plaintiff was also a participant to a lesser but not trivial degree in the linen hire market. It traded under the style 'Taylors', 'Taylors Drycleaners' and 'Taylors Drycleaning'. In 1987 the defendants, which comprised a large national public company with subsidiary branches in Auckland, Christchurch, Timaru, Invercargill and Queenstown (but not, hitherto, in Wellington) acquired the Wellington outlets of a linen hire service (Hylin Laundry Service) and a drycleaning business (Fosters Drycleaning and Laundry Services). The defendants used the "Fosters" name for the retail and commercial drycleaning side of its Wellington business, but for the linen hire business they used the name 'Taylors Linen Hire'. The plaintiff sought an injunction restraining the defendants from trading in the wider Wellington region under the name 'Taylors' in the business of drycleaning, laundry, linen or garment hire; and an inquiry as to damages.

[32] The High Court of New Zealand granted the interim injunction and after a trial of the substantive proceedings, the court granted the plaintiff a permanent injunction restraining the defendants from trading in Wellington in any business offering or providing drycleaning, laundry, linen hire or garment hire services. He also ordered an inquiry into damages. The defendants appealed. In dismissing the appeal, Cooke P, in delivering the judgment of the Court of Appeal said (at pp. 393-394):

> We think that in some cases it is legitimate to infer damage from a tendency to impair distinctiveness. For instance, in the *Lego* case to which Mr Fardell referred, *Lego System Aktieselskab v Lego M Lemelstrich Ltd* [1983] FSR 155, although the parties were not in a common field of activity (their fields were respectively toy bricks and garden sprinklers, *albeit* both used plastic materials) and although there was no allegation against the quality of the defendant's products, the plaintiff succeeded in a passing off action. As to damage, Falconer J attached weight to the factor that the unusual name was so well known that the plaintiff might be supposed to have licensed the defendant's use, and also to the factor that the plaintiff would be unable to control future use by the defendant. Lego is perhaps an extreme case, but it seems to

A us that the same considerations can apply in principle when a name, although less widely distinctive, is distinctive of the plaintiff in a particular field of activity in a particular area. Here there is ample evidence that 'Taylors' is at present distinctive of the respondent in Wellington in the particular field of businesses associated with textile cleaning. If the group are permitted to use
B the name in Wellington, *albeit* in a special branch of cleaning business in which Taylors Wellington do not engage, there will be not only the natural tendency to treat the parties as associated but also a loss by Taylors Wellington of control and licensing capacity (and therefore revenue) of the same kind as illustrated by
C the *Lego* case.

[33] At the end of the day, counsel for the respondent in the instant case submitted that on the facts of the instant case, there is likelihood that both the parties' goods in Class 18 will not be-
D distinctive of each other and that since the applicant would be liable to have passed off the respondent's goods, the registration of the applicant's mark would be contradictory to ss. 14 and 19 of the Act. As such, the respondent prayed that its application in Class 18 should be allowed to proceed to registration and that the
E applicant's application be rejected.

Judgment

[34] The issue which need to be determined in this matter before me is which party is entitled to proprietorship and ownership rights
F in the GIORDANO mark for Class 18 goods in Malaysia.

[35] The evidence showed the following:

(a) that the GIORDANO mark originated from the Giordano Group of Companies trading under the name "GIORDANO"
G and was first used in Hong Kong since 1981;

(b) that the Giordano Group of Companies and Giordano Limited has used the GIORDANO mark for, *inter alia*, leather goods in Malaysia before the filing date of the applicant's application,
H ie, 29 July 1992; and

(c) that the respondent has obtained registration of the GIORDANO mark in Malaysia in respect of garments and wearing apparels in Class 25 in 1982.

I

[36] What has been discussed above would seem to support the respondent's averment that it is the rightful proprietor of the mark (see *Crusader Oil NL & Anor v. Crusader Minerals NZ Ltd, supra*). Further, the respondent's application for goods in Class 18 was on 13 April 1992 which date is earlier than the applicant's application and would thus seem to have priority over the applicant's application.

[37] I would think that the name "GIORDANO" is not a common name in this part of the world. Further, after perusing the documents adduced vide the affidavits of the parties, I would deduce that the respondent seem to have acquired wide reputation with the GIORDANO mark especially in Hong Kong and Singapore since 1981 and in Malaysia since 1990. Coupled with the evidence adduced by the applicant in his dealings with dealers in Hong Kong, I am of the view that he knew or ought to have known of the existence of the respondent's GIORDANO mark when he allegedly commenced use of the mark on watches, ie, Class 14 goods in 1986.

[38] I have noted that the GIORDANO mark as shown on the applicant's application is clearly identical to the respondent's GIORDANO mark as shown in the respondent's application. It is my view, premissed upon the opposing versions of the applicant and the respondent as to the origin of the mark, everything seems to suggest that the applicant may have copied the respondent's GIORDANO mark. From my observation, the type face or font is clearly similar.

[39] The applicant claimed that he used the GIORDANO mark for watches with leather and imitation of leather straps in Malaysia since 1986 and that he has an existing GIORDANO mark in Class 14 goods, ie, watches, etc. as from 17 March 1988. He further claimed that prior to 29 July 1992, ie, the date when he filed his application for Class 18 goods, he commenced dealing in sunglasses which were sold in cases made of leather or imitation leather which also bore the GIORDANO mark. In relation to this, I noted that no such evidence has been adduced by the applicant to prove his claim. I would think that samples of the leather or imitation of leather watch straps or the sunglass cases backed by copies of advertisement materials of the same including photographs would have supported such a claim, but this was not

A the case. His claim that he used the mark for watches with leather and imitation leatherstraps or sunglasses with leather or imitation leather cases in Malaysia prior to 29 July 1992 seems to me to be merely a bare claim. He has not adduced such evidence in any of his affidavits.

B

[40] I would think that if the applicant's application for registration is allowed by the Registrar, it would result in confusion in the public mind between the applicant's goods and the respondent's goods and consequently would mislead the public C into the impression or assumption that goods bearing the GIORDANO mark are originating from the same source or they are connected with each other.

[41] The respondent has shown that the GIORDANO mark has been extensively used in Hong Kong and Singapore in respect of D Class 25 goods. The mark was also used on other goods such as watches with leather straps, leather belts, eye-wear including sunglasses, bags and wallets in Hong Kong and subsequently in Singapore where the goods bearing the mark have been sold and promoted by Giordano Originals (S) Pte Ltd since 1981. The E respondent claimed that the annual sales of GIORDANO goods in Singapore amounted to S$2,691,742 from 1982 to S$19,467,2281 - for the year ending 31 December 1998.

[42] The respondent also claimed that in Malaysia sales of goods F bearing the GIORDANO mark such as articles of clothing, watches with leather straps, leather belts, eye-wear including sunglasses, bags, wallets and umbrellas commenced in 1990 in Metrojaya outlets in Kuala Lumpur and later to other states in Malaysia. The goods were also advertised and promoted in G Malaysian newspapers, magazines and television commercials. The respondent claimed that the annual sales of GIORDANO goods in Malaysia amounted to more than RM2 million from 1991 to over RM19 million for the year ending 1998.

H **[43]** With such impressive figures with regard to annual sales, I find that the respondent has shown that it is the lawful and rightful proprietor of the GIORDANO mark in respect of the said goods in Malaysia. As such, I am of the view that its application in Class 18 should be allowed to proceed to registration. The I evidence adduced by the respondent would seem to show that the

applicant knew or ought to have known of the respondent's ownership in the GIORDANO mark as goods bearing the mark originating from the respondent have been extensively promoted and sold in Malaysia since 1990, and in Singapore and Hong Kong since 1981. Further, the evidence adduced by the applicant vide his affidavit affirmed on 23 September 1997 in the form of several invoices issued by companies he were dealing with in Hong Kong in 1988 would seem to denote that he knew or ought to have known of the existence of the GIORDANO mark on goods sold in Hong Kong. The invoices showed that the applicant purchased watch parts such as watch movements, watch dials, watch cases, watch hands and strap leather from those dealers in Hong Kong. This would lead to the inference that the applicant copied the respondent's GIORDANO mark to take an unfair advantage of the reputation, goodwill and commercial advantage of the respondent's mark. The documentary evidence in the form of advertisements produced by the respondent clearly showed that the respondent's GIORDANO mark has been used in Hong Kong by Giordano Limited since 1981.

[44] A case on point is *Karrimor International Ltd v. Ho Choong Fun t/a Ah Hwa Trading Co* [1989] 1 LNS 7; [1989] 3 MLJ 467. The facts and the judgment of the court (at pp. 467-468) read as follows:

> The facts are these. The applicants are a company incorporated in the United Kingdom. 'Karrimor' Bags were first manufactured in England by Karrimor Bag Company which became Karrimor Weathertite Products Ltd in 1948 and Karrimor International Ltd ('the applicants') in 1972. The applicants first carried on business as manufacturers of school bags and knapsacks bearing the trade mark 'Karrimor' in 1958 and they have since then in the course of their business manufactured and sold such school bags and knapsacks and their trade mark 'Karrimor' has been registered in Great Britain and many foreign countries.
>
> The applicants have been distributing and selling such school bags and knapsacks in Singapore, through agents, since 1977 and such goods have been widely advertised in newspapers in Singapore. The sales of such goods in Singapore have been substantial.
>
> The applicants have since 1958 acquired a worldwide reputation in their products. They have acquired a substantial and established reputation and goodwill in the business of 'Karrimor' school bags and knapsacks. The trade and the public exclusively identify 'Karrimor' school bags and knapsacks with the applicants.

The respondent has been distributing and selling school bags and knapsacks with the trade mark 'Karrinor' since only 1984. The school bags and knapsacks which the respondent are selling are very similar in appearance to the products of the applicants. The phonetic similarity of the words 'Karrimor' and 'Karrinor' and the similarity in appearance of the goods would lead to deception or confusion in the minds of the public.

There is no evidence that the respondent had advertised his products widely in newspapers. The respondent must have been well aware of the well-known trade mark of the applicants. He has not explained at all his choice of the trade mark 'Karrinor' which is very similar to 'Karrimor'. The name of the applicants contains the trade mark 'Karrimor'. This fact indicates that the respondent did not independently devise his trade mark but in fact copied it from the applicants' trade mark. The respondent in truth is not the true proprietor of the mark 'Karrinor'. There is no doubt that the respondent is trying to obtain the benefit of the worldwide reputation of the applicants.

[45] I find that from the evidence adduced by the parties, it can deduced that the applicant adopted the type face or font similar to that of the respondent's GIORDANO mark. I am of the view that he did not independently devise the GIORDANO mark but copied it from the respondent's mark. There is no merit in the applicant's allegation that the respondent's claim on ownership of the GIORDANO mark in Class 18 is frivolous or in bad faith. The respondent has adduced evidence to show that the Giordano group of companies has in fact genuinely traded and is still trading in goods bearing the said mark on a substantial basis in Malaysia and in other countries, notably in Hong Kong and Singapore.

[46] I would agree with the submission of counsel for the respondent that the material time to determine whether a trade mark has been used by a foreign trader is at the date of application for registration by another local trader of the same mark. In the instant case, it has been shown that Giordano Limited has already been using the GIORDANO trade mark in relation to Class 18 goods in Malaysia at the date of applicant's application on 29 July 1992. I would also agree with the submission of counsel for the respondent that if at the date of application for registration by a local trader, the foreign trader's mark, although it has not been used in Malaysia, has become associated in the minds of the public with the foreign trader's

goods, that local trader cannot appropriate or claim proprietorship on the foreign trader's mark. Further, a small amount of use of a trade mark by the foreign trader is sufficient to prevent a local trader from claiming proprietorship in the foreign trader's trade mark. In *Re Hick's Trade Mark* [1897] 22 VLR 636, Holroyd J at pp. 639 and 640 explained the meaning of "proprietor" under the Australian Trade Marks Act 1890, as follows:

> A person cannot be properly registered unless he is the proprietor. Proprietor is the person who at the moment he makes application to be registered is entitled to the exclusive use of the name, whether he then or before publicly adopted it. A man cannot be said to have adopted a name if someone else has done so before him. Sec. 19 merely says that the act of applying is to be deemed equivalent to public user. No one could otherwise be entitled to registration as proprietor unless he had publicly used the trade name before. The section does not affect the fact that another person used the name first. The difficulty here is that although Hicks may have by virtue of his application publicly used the name someone else publicly used it before him.
>
> In order to substantiate his application to be placed on the register for this word he must have claimed to be the proprietor, and the word 'proprietor' must be taken to mean the person entitled to the exclusive use of the name. If there is anyone else who would be interfered with by the registration of the word "Empress" in the exercise of a right which such person has already acquired to use the same word in application to the same kind of thing, then Hicks ought not to have been put on the register for that trade mark, and his name will be properly removed on the application of the person whose right of user was thereby disturbed.

[47] In the instant appeal, premissed on the evidence adduced and the submission of counsel for the parties, I am of the view that in the light of the substantial reputation and goodwill acquired by the GIORDANO trade mark, the respondent is entitled to an exclusive right on the said trade mark in relation to Class 18 goods in Malaysia since it has been clearly shown that Giordano Limited has used the GIORDANO trade mark in Malaysia earlier than the applicant. The applicant has not shown he has acquired any goodwill or reputation in the GIORDANO trade mark in respect of Class 18 goods. What is goodwill? In *Inland Revenue Commissioners v. Muller & Co's Margarine Ltd* [1900-03] All ER Rep. 413 (also reported [1901] AC 217) Lord Macnaghten answered the question as follows:

A It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation, and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old established business from a new business at its first start. The goodwill of a
B business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has power of attraction sufficient to bring customers home to the source from which it emanates.

C **[48]** A case on point is *C & A Modes & Anor v. C & A (Waterford) Ltd & Ors* [1978] FSR 126, which was also referred to by counsel for the respondent. In that case, the court held that due to close proximity between the United Kingdom and the Republic of Ireland, even if the plaintiff does not have an outlet
D in the Republic of Ireland, its reputation which originated from the United Kingdom was sufficient. The facts as gleaned from the head-notes showed that the first plaintiff was a company incorporated in the United Kingdom and the second plaintiff was its Irish subsidiary. The first plaintiff owned and operated
E numerous retail drapery shops in the United Kingdom and had enjoyed a considerable volume of trade in this field. It also operated a large branch shop dealing in the same business in Belfast, whither large numbers of citizens of the Irish Republic travelled to purchase the first plaintiffs' goods. The trading style
F used by the first plaintiff throughout its sale outlets, on its goods and in its advertisements was the symbol "C & A"; this also formed part of the company name. Evidence was adduced to show that the plaintiffs had advertised its goods extensively in the Republic of Ireland both through newspapers and magazines
G circulating there and on television channels which were available to viewers in the Republic. The plaintiffs did not otherwise trade or conduct business in the Republic. The first defendant was incorporated in the Republic in 1972 and although no evidence was adduced by any of the defendants at trial, it emerged that the
H defendants in fact carried on a retail drapery business using for the purpose a large motor van with the letters 'C & A' painted on its sides. In addition, those letters formed part of the trading name of the first defendant. The defendants offered no explanation for the choice of this particular trading style.

I

[49] Upon an action for passing off, the plaintiffs claimed injunctive relief to restrain the first defendant from carrying on business under its present name or under any other name so closely resembling the name of the first plaintiff as to be calculated to lead to the first defendants' business being confused with that of the first plaintiff. The trial judge held that the plaintiffs were entitled to succeed in their action. The defendants appealed to the Supreme Court.

[50] In dismissing the appeal the Supreme Court held that the plaintiffs were possessed of a protectable reputation within the Irish Republic and that the defendants' motive in using the style 'C & A' was to create the false impression of some association or connection with the plaintiffs and thereby gain commercial advantage from the resulting confusion in the public mind between their trading activities and those of the first plaintiff. In delivering the judgment of the Supreme Court Henchy J said (at pp. 138-139):

> Can it be said in these circumstances that, because the plaintiffs have no direct retailing outlet in the Republic, they have no protectable goodwill in the Republic? In my opinion, the answer is 'No'. Goodwill does not necessarily stop at a frontier. Whether in a particular area a plaintiff has a goodwill which is liable to be damaged by the unlawful competition resulting from passing off is a question of fact and of degree. What has to be established for the success of a plaintiff's claim in an action such as this is that by his business activities - be they by direct selling within the State or otherwise - he has generated within the State a property right in a goodwill which will be violated by the passing-off. It is true that there is authority for the proposition that a plaintiff's reputation which owes nothing to user in this State is not sufficient to support a passing-off action (*Alain Bernardin et Cie v. Pavilion Properties Ltd* [1967] RPC 581) but, as is stated in *Kerly's Law of Trade Marks and Trade Names* (10th Edn, p 386), it is difficult to see any rational basis for this distinction. If there are in this State sufficient customers of a plaintiff's business to justify his claim to have a vested right to retain and expand that custom, then there is ample authority in principle and in the decided cases for the conclusion that, no matter where the plaintiff's business is based, he is entitled to be protected against its being taken away or dissipated by someone whose deceptive conduct is calculated to create a confusion of identity in the minds of existing or potential customers.

> I consider that the evidence in this case amply satisfies the test. The nature and spread of the C & A trade throughout the United Kingdom, the extent to which the shop in Belfast draws its custom from this State, the advertising campaign in papers and magazines circulating here, the distinctive nature of C & A goods in their labelling and packaging and in the C & A symbol, all these in combination point to a goodwill in this State. If there were any doubt that the first plaintiffs enjoy in this State 'the attractive force which brings in custom' (per Lord Macnaghten in *Commissioners of Inland Revenue v. Muller & Co.'s Margarine Ltd* [1901] AC 217, 224), one might ask why did the individual defendants purloin the name and symbol of C & A? The answer is that they did so to gain commercial advantage from the resulting confusion in the public mind between their trading activities and those of the first plaintiffs. Their passing off was calculated to operate to the detriment of the goodwill in this State of the first plaintiffs. It is to prevent unfair competition of that kind that the action for passing off lies.

[51] In the instant case, the matter in dispute purely rest on finding of facts based on the evidence adduced by the parties. The facts clearly showed that the respondent has proved that the applicant have adopted the GIORDANO mark as may lead people, who have dealings with the respondent, to believe that the respondent's business is a branch of, or associated with the applicant and that may do damage to the respondent's business in all kinds of ways, e.g., the quality of the goods and the kind of business carried out. This impression is created through the use of another provider's recognizable trade mark, either by the production of an identical copy, or a closely comparable mark. All these things may immensely injure the respondent who is assumed wrongly to be associated with the applicant. Using the same GIORDANO mark clearly will cause confusion between the business activities of the parties in the instant case especially to prospective customers or consumers of the goods offered in the market. Premissed upon what has been discussed earlier, I would conclude that the respondent is the rightful and lawful proprietor of the GIORDANO trade mark and it should be allowed to be registered as the proprietor for goods specified in Class 18.

[52] For the reasons aforesaid, the applicant's application for the following relief, namely, that he be entitled to the registration of the GIORDANO trademark in Class 18 is hereby dismissed with costs. Consequently, I would grant the respondent the following reliefs that were sought, namely:

(a) a declaration that it is the common law and rightful proprietor of the GIORDANO trade mark in respect of goods in Class 18;

(b) a declaration that it is entitled to be registered as the proprietor of the GIORDANO trade mark in Class 18 under and pursuant to the applicable provisions of the Act; and,

the following consequential order, namely, that the Registrar be directed to consider, in accordance with the applicable provisions of the Act and if she deems fit, to register the respondent as the proprietor of the said trade mark. I would also order that the applicant pay costs to the respondent.